

**AGREEMENT OF PURCHASE AND SALE  
AND JOINT ESCROW INSTRUCTIONS  
(3136 West Rosecrans Blvd., Hawthorne, CA)**

This AGREEMENT OF PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (“**Agreement**”) is made and entered into as of November \_\_\_\_, 2024 (“**Effective Date**”), by and between John Hanley and First Bank, Co-Trustees of the Hanley Family Trust dated June 23, 1999 (collectively, “**Seller**”), on the one hand, and the City of Hawthorne, and/or its permitted assignee (collectively, “**Buyer**”), on the other hand.

**RECITALS**

A. Seller owns certain real property commonly known as 3136 West Rosecrans Blvd. located in the City of Hawthorne, County of Los Angeles, State of California, with APN's 4071-020-001, 4071-020-002, 4071-020-003, 4071-020-005, 4071-020-004, 4071-013-025, which is more particularly described on **Exhibit A** attached hereto (the “**Land**”), together with the building and certain other improvements located on the Land (the “**Improvements**”) (collectively, the “**Real Property**”). As used herein, “**Property**” shall mean the Real Property together with Seller’s right, title and interest, if any, in and to the following: (i) to the extent assignable without cost to Seller, any governmental permits, entitlements, licenses, approvals, warranties and guarantees and any other intangible property (collectively, “**Intangible Property**”), if any, associated exclusively with the Real Property; and, (ii) to the extent transferrable without cost to Seller, *but* expressly excluding the Excluded Property (as later defined), any tangible personal property, fixtures and equipment (collectively, the “**Personal Property**”), if any, located on or in the Real Property.

B. Seller has informed Buyer that the consummation of the sale contemplated in this Agreement will require the approval of the Probate Division of the Los Angeles Superior Court (the “**Court**”), and this Agreement and the consummation of the sale transaction set forth herein are subject to approval by the Court as more fully provided in this Agreement.

C. Seller desires to sell all of its interest in the Property to Buyer, and Buyer desires to purchase Seller’s interest in the Property, upon the terms and conditions set forth in this Agreement.

**BASIC PROVISIONS**

I. BUYER: City of Hawthorne  
4455 W. 126th Street  
Hawthorne, CA 90250  
Attention: Vontray Norris, City Manager

With a copy to: City of Hawthorne  
4455 W. 126th Street  
Hawthorne, CA 90250  
Attention: Robert Kim, City Attorney

II. BUYER’S COUNSEL: City Attorney  
City of Hawthorne  
4455 West 126th Street  
Hawthorne, CA 90250  
Attn: Robert M. Kim

Telephone No. (310) 349-2960  
Email: rkim@cityofhawthorne.org

- III. SELLER: Hanley Family Trust dated June 23, 1999  
c/o First Bank  
4301 MacArthur Blvd.  
Newport Beach, CA 92660  
Attention: Amy Avelar  
Phone: (949) 476-5515  
Email: Amy.Avelar@fbol.com
- IV. SELLER'S COUNSEL: Murtaugh Treglia Stern & Deily LLP  
2603 Main Street, Penthouse  
Irvine, California 92614  
Attn: W. Rod Stern  
Phone: (949) 794-4000  
Email: rstern@murtaughlaw.com
- V. SELLER'S BROKER: Jeff Curtis of Keller Williams Realty ("**Seller's Broker**")
- VI. BUYER'S BROKER: Christopher Beck of Newmark ("**Buyer's Broker**")
- VII. ESCROW HOLDER: First American Title Company  
("**Escrow Holder**")  
Attn: Lauren Ferguson, Escrow Officer  
Phone: (949) 885-2415  
Email: Lferguson@firstam.com
- VIII. TITLE COMPANY: First American Title Company  
("**Title Company**")  
Attn: Jeff Dasse, Title Officer  
Phone: (310) 630-7011  
Email: jdasse@firstam.com
- IX. PURCHASE PRICE: \$6,770,000 (the "**Purchase Price**")
- X. INITIAL DEPOSIT: \$350,000 (the "**Initial Deposit**"), payable in accordance with Paragraph 2.1 below.
- XI. CONTINGENCY DATE: 5:00 p.m. Pacific Time on the thirtieth (30<sup>th</sup>) day after the Opening of Escrow (the "**Contingency Date**").
- XII. CLOSING DATE: No later than ten (10) business days after the Contingency Date ("**Anticipated Closing Date**"). Subject to the terms of Paragraph 3.2, Seller shall have three (3) options to extend the Closing Date by thirty (30) days per each option.

*[Remainder of Page Intentionally Blank]*

## AGREEMENT

Seller and Buyer agree that the terms and conditions of this Agreement and the instructions to Escrow Holder, with regard to the escrow ("**Escrow**") created pursuant hereto are as follows:

**1. PURCHASE AND SALE.** Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, upon the terms and conditions set forth in this Agreement. Notwithstanding anything to the contrary in this Agreement, the personal property set forth on Schedule 1 attached hereto and incorporated herein (the "**Excluded Property**") shall not be conveyed, sold or transferred to Buyer. Seller shall remove the Excluded Property from the Property on or prior to the Closing Date.

**2. PAYMENT OF PURCHASE PRICE.** The Purchase Price for the Property shall be paid by Buyer as set forth below in this Paragraph 2.

**2.1 DEPOSIT.** Within two (2) business days after the full execution of this Agreement and opening of Escrow, Buyer shall deposit the Initial Deposit with Escrow Holder. The Initial Deposit shall be fully refundable to Buyer at all times prior to the Contingency Date. If Buyer delivers an Approval Notice, then the Initial Deposit shall become non-refundable, unless Seller defaults under this Agreement and Buyer does not elect the remedy of specific performance. Unless this Agreement has been terminated in accordance with its terms, then within two (2) business days following the Contingency Date, Buyer shall deposit into Escrow an additional sum of \$350,000 with Escrow Holder ("**Additional Deposit**" along with the Initial Deposit the "**Deposit**"). The Additional Deposit shall be non-refundable, unless Seller defaults under this Agreement and Buyer does not elect the remedy of specific performance. Each installment of the Deposit shall be delivered to Escrow Holder by wire transfer or other delivery of immediately available U.S. funds. Unless required to be released earlier pursuant to the other terms of this Agreement, the Deposit shall be released, without requirement of further instruction to Escrow Holder, upon the Closing. Upon the Close of Escrow the Deposit shall be credited toward payment of the Purchase Price. If Buyer fails to timely deposit into the Escrow any portion of the Deposit on or before the due date specified above for such portion and does not cure such failure within two (2) business days after written notice from Seller, then Buyer shall be deemed in default under this Agreement, in which event Seller may terminate this Agreement by written notice to Buyer at any time prior to the date on which Buyer deposits such portion of the Deposit, and upon any such termination, Seller shall be entitled to retain any portion of the Deposit previously placed into Escrow by Buyer and the parties shall have no further rights or obligations under this Agreement, except for rights and obligations that, by their terms, survive the termination of this Agreement. For avoidance of doubt and notwithstanding any contrary provision hereof, the 2-business day cure period set forth in this Paragraph 2.1 with respect to Buyer's failure to deliver a portion of the Deposit shall control over the cure period set forth in Paragraph 14.1 of this Agreement.

Notwithstanding any provision set forth in this Agreement, \$100 of the Initial Deposit shall be non-refundable in all events (other than Seller's default) and shall be paid to Seller accordingly in the event that this Agreement is terminated at any time prior to the Close of Escrow (the "**Independent Consideration**"). The Independent Consideration shall be applicable to the Purchase Price for the Property at Closing (as defined below).

**2.2 CASH BALANCE.** Not less than one (1) business day prior to the Closing Date, Buyer shall deposit with Escrow Holder, in immediately available funds, the balance of the Purchase Price (i.e., the amount of the Purchase Price minus the Deposit), and such other funds as may be necessary in accordance with the terms hereof to pay for Buyer's share of closing costs and charges set forth in Paragraph 9 below and Buyer's share of prorations set forth on the Proration and Expense Schedule (as later defined).

### 3. ESCROW.

**3.1 OPENING OF ESCROW.** For the purposes of this Agreement, the Escrow shall be deemed opened (“**Opening of Escrow**”) on the date in which the parties deliver to Escrow Holder a fully executed copy of this Agreement and obtain an escrow number for the escrow at the Escrow Holder, which shall occur no later than two (2) business days after this Agreement is executed and delivered by the parties. Escrow Holder shall promptly notify Buyer and Seller in writing of the Opening of Escrow. Buyer and Seller agree to execute, deliver and be bound by any reasonable or customary supplemental escrow instructions or other instruments reasonably required by Escrow Holder to consummate the transaction contemplated by this Agreement; provided, however, that no such instruments shall be inconsistent or in conflict with, amend or supersede any portion of this Agreement. If there is any conflict or inconsistency between the terms of such instruments and the terms of this Agreement, then the terms of this Agreement shall control. Pursuant to Section 6045(e) of the Internal Revenue Code of 1986, as amended, Escrow Holder shall be designated the “Reporting Person” hereunder and shall be solely responsible for complying with the Tax Reform Act of 1986, as amended, with regard to reporting all settlement information to the Internal Revenue Service.

**3.2 CLOSE OF ESCROW.** For purposes of this Agreement, the “**Close of Escrow**” or the “**Closing**” shall be the date that the Deed (as later defined) is recorded in the Recorder’s Office of Los Angeles County (the “**Recorder’s Office**”) or, if earlier, the date that Title Company is irrevocably committed to issue the Title Policy (as later defined) and submit the Deed for recording in the Recorder’s Office. Unless (i) changed in writing by Buyer and Seller, or (ii) extended by Seller pursuant to this **Paragraph 3.2**, the Close of Escrow shall occur on the Anticipated Closing Date (the actual date of the Closing referred to as the “**Closing Date**”). Seller shall have three (3) options, exercised by written notice to Buyer, Title Company and Escrow Holder no later than five (5) business days prior to the scheduled Closing Date, to extend the Anticipated Closing Date by 30 days per option. Prior to the Anticipated Closing Date, Seller shall file a petition seeking court approval of this sale, which petition shall be heard in the Court. Seller shall diligently prosecute the petition for approval. In the event that court approval (“**Court Approval**”) has not been obtained by the Anticipated Closing Date, as such may be extended pursuant to this **Paragraph 3.2**, then Buyer or Seller may terminate this Agreement by written notice to the other. If Buyer or Seller terminates this Agreement in accordance with the preceding sentence, the Deposit (less the Independent Consideration and Buyer’s share of Escrow Holder’s and Title Company’s cancellation fees and charges, if any), or such portion thereof that has theretofore been deposited by Buyer with Escrow Holder shall be returned to Buyer, all documents deposited into Escrow shall be returned to the party depositing such documents, and neither party shall have any further rights or obligations under this Agreement, except for those rights or obligations which expressly survive the termination of this Agreement. Upon Closing, Seller shall deliver possession of the Property to Buyer, subject only to the Approved Title Conditions.

**4. CONDITION OF TITLE.** Fee simple title to the Land shall be conveyed to Buyer by the Deed subject only to the following approved conditions of title (collectively, the “**Approved Title Conditions**”).

**4.1 TAXES.** A lien to secure payment of assessments not yet payable (assessments to be prorated as of the Closing Date).

**4.2 BUYER CREATED MATTERS.** Matters affecting the Property created by or with the written consent of Buyer.

**4.3 ADDITIONAL MATTERS.** Exceptions that are disclosed by the Report (as later defined) or any updates to the extent approved or deemed approved by Buyer in accordance with the terms of **Paragraph 6.1**.

**4.4 SURVEY MATTERS.** (a) If Buyer obtains a Survey (as later defined) with respect to the Property, all matters that are disclosed by the Survey, or (b) if Buyer does not obtain a Survey with respect to the Property, all matters that would be revealed or disclosed in an accurate survey or inspection of the such Property.

**4.5 LAWS.** All laws, ordinances, rules, regulations and restrictions affecting the Property.

**5. BUYER'S TITLE INSURANCE.** At the Close of Escrow, the Title Company shall be committed to issue to Buyer the standard Owner's Policy of Title Insurance ("**Title Policy**") in the amount equal to the Purchase Price, showing fee simple title to the Land vested in Buyer and subject only to the Approved Title Conditions. Buyer shall have the right, at its sole expense, to request and obtain ALTA extended coverage policy for the Title Policy (including so-called "survey deletion coverage"), provided that such additional coverage shall not be a condition precedent to, or otherwise excuse or delay any of, Buyer's obligations under this Agreement. Buyer shall have sole responsibility for obtaining, and bearing the cost of, any survey required by the Title Company or desired by Buyer. The Buyer may obtain, at its sole cost, its own survey "**Survey.**" For clarity, Buyer's right to obtain a Survey shall not expand its rights under **Paragraph 6.1** below, and shall not be a condition to Closing.

**6. CONDITIONS PRECEDENT TO THE CLOSE OF ESCROW FOR THE BENEFIT OF BUYER.** The Close of Escrow and Buyer's obligation to consummate the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent for Buyer's benefit by the dates designated below:

**6.1 TITLE.**

**6.1.1 Title Documents.** Buyer shall have approved the legal description of the Land and any matters of title disclosed by the following documents (collectively, the "**Title Documents**"): (a) a standard preliminary title report prepared and issued by the Title Company with respect to the Land (the "**Report**"); and (b) copies of all recorded documents referred to in the Report (including, if applicable, all exceptions, plotted easements, reciprocal easements, and CC&R's). Seller shall deliver to Buyer the Title Documents within ten (10) days following the Effective Date. Buyer shall have the right until 5:00 p.m. Pacific Time on the date which is seven (7) business days prior to the Contingency Date to deliver to Seller, Title Company and Escrow Holder written notice of Buyer's disapproval or conditional approval of any matters shown in or disclosed by the Title Documents or any Survey ("**Buyer's Title Notice**"). Buyer's failure to timely deliver Buyer's Title Notice shall be deemed to constitute Buyer's approval of all matters shown in or disclosed by the Title Documents (except for any Must-Cure Items defined below) or any Survey. If Buyer timely delivers Buyer's Title Notice, then Seller shall have the right, but not the obligation, to indicate which matters identified in Buyer's Title Notice will be satisfied or cured (and the manner in which such matters will be satisfied or cured) by the Closing Date by delivering written notice thereof to Buyer ("**Seller's Title Notice**") within three (3) business days after delivery to Seller of Buyer's Title Notice. Seller's failure to deliver Seller's Title Notice shall be deemed to constitute Seller's election not to satisfy or cure any of the matters set forth in Buyer's Title Notice (other than the Must-Cure Items). Buyer shall have until 5:00 p.m. Pacific Time on the Contingency Date to either (y) approve Seller's Title Notice (or deemed notice) by delivering (or being deemed to have delivered) an Approval Notice (as later defined), in which case Seller shall satisfy or cure, as applicable, the matters set forth in Seller's Title Notice in the manner set forth therein, if applicable, and the matters set forth in Buyer's Title Notice which are not addressed in Seller's Title Notice shall be deemed to constitute Approved Title Conditions, or (z) disapprove Seller's Title Notice (or deemed notice), by delivering a Termination Notice (as later defined) in which case this Agreement shall terminate, Escrow Holder shall promptly return the Deposit (less the Independent Consideration and Buyer's share of Escrow Holder's and Title Company's cancellation fees

and charges, if any) and neither party hereunder shall have any further obligations or liabilities under this Agreement, except as specifically set forth herein. Buyer's failure to timely notify Seller, Title Company and Escrow Holder in writing on or before 5:00 p.m. Pacific Time on the Contingency Date of its disapproval of any matters set forth in Seller's Title Notice (or deemed notice) shall be deemed Buyer's election to waive its title objections (other than any Must-Cure Items). If, in Seller's Title Notice, Seller elects to cure or satisfy any matters set forth in Buyer's Title Notice, then it shall be a condition precedent to Buyer's obligation to purchase the Property that such matters are so cured or satisfied and Seller shall have until the Closing Date to do so, provided failure to do so shall in no way be deemed a default by Seller hereunder. If such cure cannot be accomplished within such time, and Buyer has not waived its applicable uncured objections by the Closing Date, this Agreement shall terminate, the Deposit (less the Independent Consideration and Buyer's share of Escrow Holder's and Title Company's cancellation fees and charges, if any) shall be returned to Buyer, and neither party shall have any further obligations under this Agreement except as specifically set forth in this Agreement.

**6.1.2 Must-Cure Items.** Notwithstanding anything to the contrary in this Agreement, Seller shall at or prior to the Closing Date, remove, discharge or satisfy, in a manner to cause the Title Company to remove as an exception from the Title Policy all monetary liens and monetary encumbrances, including, without limitation, any deeds of trust, any mortgages, and any mechanic's and/or materialmen's liens, solely to the extent voluntarily created by Seller or arising under contracts entered into by Seller and all property tax liens for the six month property tax billing period in which the Closing occurs (collectively, if any, the "**Must-Cure Items**"). Seller's failure to satisfy the specific Must-Cure Items listed in the previous sentence shall be a default by Seller under **Paragraph 14.2** with respect to which Buyer shall be entitled to (A) pursue its remedies under **Paragraph 14.2** of this Agreement or (B) close on the purchase and sale of the Property contemplated herein and accept the Property subject to the such items after reducing the Purchase Price by the amount of such uncured Must-Cure items.

**6.1.3 Additional Title Review Period.** If any update to the Report (an "**Updated Report**") issued subsequent to the date that Buyer delivers Buyer's Title Notice discloses any new matters first recorded or appearing on or after the date that Buyer delivers Buyer's Title Notice (a "**New Exception**"), then Buyer shall have until the earlier of the Closing Date or the date which is three (3) business days from Buyer's receipt of the Updated Report, to deliver notice to Seller, Title Company and Escrow Holder objecting to such New Exception (a "**New Exception Objection**"). If Buyer does not deliver a New Exception Objection within such 3-business day period, Buyer shall be deemed to have approved the New Exception and such New Exception shall become an Approved Title Condition (other than Must-Cure Items). Notwithstanding the foregoing, Buyer shall be precluded from making a New Exception Objection to any New Exception which consists of matters (a) that were in existence as of the Contingency Date, are disclosed by the existing surveys and/or Survey and/or would have been revealed by an accurate inspection or survey of the Property as of the Contingency Date, (b) resulting from activities of Buyer or that were otherwise consented to by Buyer, (c) that will not materially and adversely impact title to the Property, as determined in Buyer's reasonable discretion, and/or (d) that will not be binding on or affect the Property or Buyer after Closing (and any of the foregoing shall become Approved Title Conditions). In the event that Buyer timely delivers a New Exception Objection, Seller shall have three (3) business days following receipt of the New Exception Objection (the "**Additional Title Response Period**") in which to elect, by written notice to Buyer (if applicable, an "**Updated Seller's Title Notice**"), either (i) to cure Buyer's objection or (ii) not to cure Buyer's objection; provided, if Seller fails to provide written notice of its election in the Additional Title Response Period, Seller shall be deemed to have elected clause (ii) above. In the event Seller provides Buyer with written notice of Seller's desire to cure under clause (i) above, then it shall be a condition precedent to Buyer's obligation to purchase the Property that such matters are so cured and Seller shall have until the Closing Date to do so. If such cure cannot be accomplished within such time, and Buyer has not waived its applicable uncured New Exception Objection by the Closing Date, this Agreement shall terminate, the Deposit (less the Independent Consideration and Buyer's share

of Escrow Holder's and Title Company's cancellation fees and charges, if any) shall be returned to Buyer, and neither party shall have any further obligations under this Agreement except as specifically set forth in this Agreement. In the event that Seller elects or is deemed to have elected clause (ii) above, then Buyer shall have until the date which is the earlier of (1) the Closing Date, and (2) three (3) business days from the expiration of the Additional Title Response Period, in which to elect, by written notice to Seller, either to (y) terminate this Agreement and receive the return of the Deposit (less the Independent Consideration and Buyer's share of Escrow Holder's and Title Company's cancellation fees and charges, if any) or (z) proceed to Closing and thereby be deemed to have approved the New Exception as an Approved Title Condition; provided, if Buyer fails to provide written notice of its election in such time period, Buyer shall be deemed to have elected clause (z) above.

**6.2 PHYSICAL INSPECTIONS AND STUDIES.** Subject to all the terms and conditions set forth in **Paragraph 13**, during the period commencing on the Effective Date and ending on the Contingency Date (the "**Contingency Period**"), Buyer shall have the right to approve or disapprove, in Buyer's sole discretion, the results of Buyer's appraisal of the Property (which is being obtained by Buyer), and Buyer's inspections, investigations, tests and studies, including, without limitation, investigations with regard to zoning, building codes and other governmental regulations, architectural inspections, engineering tests, and soils, seismic and geologic reports with respect to the Land, inspections of all or any portion of the Improvements (including, without limitation, structural, mechanical and electrical systems, roofs, pavement, landscaping and public utilities), and any other physical inspections and/or investigations (collectively, the "**Tests**") as Buyer may elect to make or obtain in accordance with the terms of this Agreement. Buyer's timely delivery to Seller, Title Company and Escrow Holder of a Termination Notice prior to 5:00 p.m. Pacific time on the Contingency Date shall constitute Buyer's disapproval of the Tests, for any reason or no reason, and its election to terminate this Agreement and upon such termination, the Deposit (less the Independent Consideration and Buyer's share of Escrow Holder's and Title Company's cancellation fees and charges, if any) shall be returned to Buyer. Buyer's timely delivery (or deemed delivery) to Seller, Title Company and Escrow Holder of an Approval Notice shall be deemed to constitute Buyer's waiver of this condition. In accordance with **Paragraph 6.8** below, in the event that Buyer does not deliver a Termination Notice or Approval Notice before 5:00 p.m. Pacific Time on the Contingency Date, Buyer shall automatically be deemed to have timely delivered an Approval Notice.

**6.3 REVIEW AND APPROVAL OF MATERIALS.** Within five (5) business days of the Effective Date, Seller shall provide Buyer with the following documents to the extent in Seller's possession: (a) the current property tax bill and a description of any bonds or assessments affecting the Property, (b) existing leases, occupancy agreements and rent rolls, if any, (c) all environmental reports and studies including all so called "Phase I" and "Phase II" reports for the Property, if any, including, but not limited to, any and all documents or reports arising out of remediation activities, and (d) service contracts for the Property, if any (such documents "**Materials**"). The Materials may be made available for Buyer's review, in Seller's discretion, via an electronic data site provided by Seller, or at the Property or another location, or by electronic email, or by any other means determined by Seller. Seller makes no representations or warranties of any kind whatsoever to Buyer as to the accuracy or completeness of the content of the Materials or any other information delivered to or made available to Buyer pursuant to this Agreement, except as may be otherwise set forth in **Paragraph 12.1** herein (and subject in all respects to **Paragraph 21.13**) and Seller shall have no liability or responsibility to Buyer with respect to the accuracy or completeness of any of the Materials or other information, except as may be otherwise set forth in **Paragraph 12.1** herein (and subject in all respects to **Paragraph 21.13**), or based upon or arising out of any use Buyer may make of the Materials. Buyer shall have the right to disapprove, for any reason or no reason, the Materials in Buyer's sole discretion by delivering a Termination Notice to Seller, Title Company and Escrow Holder on or before 5:00 p.m. Pacific Time on the Contingency Date. Buyer's timely delivery of such Termination Notice shall constitute Buyer's disapproval of the Materials and Buyer's election to terminate this Agreement. Buyer's timely delivery (or deemed delivery) to Seller of an Approval Notice

shall be deemed to constitute Buyer's waiver of this condition. In accordance with **Paragraph 6.8** below, in the event that Buyer does not deliver a Termination Notice or Approval Notice before 5:00 p.m. Pacific Time on the Contingency Date, Buyer shall automatically be deemed to have timely delivered an Approval Notice. Notwithstanding anything to the contrary in this Agreement, Buyer acknowledges that, except for the information (if any) contained in the Materials, it has no right to review any appraisals, budgets or financial analyses, documentation pertaining to Seller's entity, loan documents, internal reports, valuations, other offers or agreements relating to the acquisition or sale of the Property, economic evaluations of the Property, reports regarding the Property prepared by Seller or any affiliate of Seller for the internal use or for the information of the investors in Seller, and any other proprietary information not relating to the physical condition of the Property (collectively, the "**Excluded Materials**").

**6.4** Intentionally omitted.

**6.5** Intentionally omitted.

**6.6 REPRESENTATIONS AND WARRANTIES.** Subject to any Representation Matters (as later defined), all representations and warranties of Seller contained in **Paragraph 12.1** of this Agreement shall be true and correct in all material respects as of the date made and as of the Close of Escrow with the same effect as if those representations and warranties were made at and as of the Close of Escrow.

**6.7 COVENANTS.** By the Closing Date, Seller shall not be in material default in the performance of any material covenant or agreement to be performed by Seller under this Agreement.

**6.8 BUYER'S APPROVAL OF THE PROPERTY.** Buyer, in its sole discretion, must have elected to remove the due diligence period contingencies with respect to the Title Documents (**Paragraph 6.1** above), Tests (**Paragraph 6.2** above) and Materials (**Paragraph 6.3** above) before 5:00 p.m. Pacific Time on the Contingency Date. If Buyer elects to proceed with the acquisition of the Property in its sole discretion and to thereby remove the due diligence contingencies with respect to the Title Documents, Tests and Materials, then Buyer shall deliver written notice of the same to Seller, Title Company and Escrow Holder prior to 5:00 pm Pacific Time on the Contingency Date (an "**Approval Notice**"). If Buyer disapproves of the Property (i.e., with respect to the Title Documents, Tests and/or Materials) or elects to not proceed with the acquisition of the Property for any reason or no reason at all, then Buyer shall provide written notice of the same to Seller, Title Company and Escrow Holder prior to 5:00 pm Pacific Time on the Contingency Date (a "**Termination Notice**"). Timely delivery of such Termination Notice by Buyer to Seller, Title Company and Escrow Holder shall constitute Buyer's exercise of its right to terminate this Agreement. In the event that Buyer does not deliver a Termination Notice or Approval Notice before 5:00 p.m. Pacific Time on the Contingency Date, Buyer shall automatically be deemed to have timely delivered an Approval Notice, which will be deemed as Buyer's election to remove all due diligence contingencies in this Agreement, including the Title Documents, Tests and Materials. In the event that Buyer timely delivers a Termination Notice, then this Agreement shall be terminated in which case the Deposit (less the Independent Consideration and Buyer's share of Escrow Holder's and Title Company's cancellation fees and charges, if any), or such portion thereof that has theretofore been deposited by Buyer with Escrow Holder shall be refunded to Buyer, all documents deposited into Escrow shall be returned to the party depositing such documents, and neither party shall have any further rights or obligations under this Agreement, except for those rights or obligations which expressly survive the termination of this Agreement.

**6.9 TITLE POLICY.** The Title Company shall be committed to issue to Buyer the Title Policy, as set forth in **Paragraph 5**.

**6.10 SELLER DELIVERIES.** Seller shall have timely delivered to Escrow Holder the documents described in Paragraph 8.1.

**6.11 PLANNING COMMISSION CONSISTENCY FINDING.** The Planning Commission of the Buyer making the finding that Buyer's acquisition of the Property is consistent with the Buyer's (City's) general plan, as required by Government Code Section 65402(a).

The conditions set forth in this Paragraph 6 are solely for the benefit of Buyer and may be waived only by Buyer. Buyer shall at all times have the right to waive any condition. Any such waiver or waivers shall be in writing and shall be delivered to Seller, Title Company and Escrow Holder. Nothing contained in this Agreement shall require Seller to bring any suit or other proceeding or to pay any substantial sum, to satisfy any of such conditions (other than with respect to any Must-Cure Items). If any of the conditions in this Paragraph 6 are not timely satisfied or waived by Buyer, Buyer shall deliver written notice to Escrow Holder, Title Company and Seller on or before the applicable date relating to such condition and describing the condition that has not been satisfied or waived, and unless such failure is due to a material default by Seller, in which case the provisions of Paragraph 14 of this Agreement shall apply, Buyer shall have the right by such notice to terminate this Agreement and the Escrow. If Buyer timely terminates this Agreement in accordance with the foregoing, the Deposit (less the Independent Consideration and Buyer's share of Escrow Holder's and Title Company's cancellation fees and charges, if any), or such portion thereof that has theretofore been deposited by Buyer with Escrow Holder shall be returned to Buyer, all documents deposited into Escrow shall be returned to the party depositing such documents, and neither party shall have any further rights or obligations under this Agreement, except for those rights or obligations which expressly survive the termination of this Agreement. If Buyer does not timely deliver notice of such failed condition(s), then Buyer shall be deemed to have waived the same. Buyer hereby acknowledges and agrees that, notwithstanding the failure of any condition or the breach of any obligation of Seller under this Agreement, the occurrence of the Closing shall constitute conclusive evidence that all the conditions set forth in this Paragraph 6 have either been satisfied or waived by Buyer.

**7. CONDITIONS PRECEDENT TO THE CLOSE OF ESCROW FOR THE BENEFIT OF SELLER.** The Close of Escrow and Seller's obligations with respect to the transaction contemplated by this Agreement are subject to the timely satisfaction or written waiver of the following conditions precedent for Seller's benefit by the dates designated below:

**7.1 BUYER'S DELIVERIES.** Buyer shall have timely delivered to Escrow Holder the funds and documents described in Paragraph 8.2.

**7.2 REPRESENTATIONS AND WARRANTIES.** All representations and warranties of Buyer contained in Paragraph 12.2 of this Agreement shall be true and correct in all material respects as of the date made and as of the Close of Escrow with the same effect as if those representations and warranties were made at and as of the Close of Escrow.

**7.3 COVENANTS.** By the Closing Date, Buyer shall not be in material default in the performance of any material covenant or agreement to be performed by Buyer under this Agreement.

**7.4 COURT APPROVAL.** Seller shall have obtained Court Approval.

**7.5 TERMINATION OF LEASE/VACATION OF LEASED PREMISES.** The lease described in Schedule 2 shall have been terminated and the tenant shall have removed its property if any and vacated the leased premises. (Said lease is not being assigned to or assumed by Buyer.)

The conditions set forth in this Paragraph 7 are solely for the benefit of Seller and may

be waived only by Seller. Seller shall at all times have the right to waive any condition. Any such waiver or waivers shall be in writing and shall be delivered to Buyer and Escrow Holder. If any of the conditions in this **Paragraph 7** is not satisfied or has not been so waived by Seller prior to the scheduled Closing Date, Seller shall deliver written notice to Buyer describing the condition that has not been satisfied or waived, and if such condition remains unsatisfied as of the scheduled Closing Date, then, subject to the provisions of **Paragraph 14** of this Agreement, if applicable, Seller shall have the right to terminate this Agreement and the Escrow by written notice to Buyer and Escrow Holder. If Seller terminates this Agreement in accordance with the foregoing, the Deposit shall be paid over to Seller (except that if Seller terminates due to a the failure to get Court Approval the Deposit shall be paid over to Buyer), all documents deposited into Escrow shall be returned to the party depositing such documents, and neither party shall have any further rights or obligations under this Agreement, except for those rights or obligations which expressly survive the termination of this Agreement.

## **8. DELIVERIES TO ESCROW HOLDER.**

**8.1 DELIVERIES BY SELLER.** At least one (1) business day prior to the Closing Date, Seller shall deposit with Escrow Holder the following documents and instruments:

**8.1.1 DEED.** An original grant deed in the form attached as **Exhibit B**, duly executed by Seller and acknowledged (“**Deed**”).

**8.1.2 Intentionally Deleted**

**8.1.3 FIRPTA.** A Transferor’s Certification of Non-Foreign Status in the form attached as **Exhibit C**, duly executed by Seller (the “**FIRPTA Certificate**”).

**8.1.4 FORM 593.** A California Form RE-593, duly executed by Seller.

**8.1.5 GENERAL ASSIGNMENT.** A scanned or electronically signed copy of a General Assignment and Bill of Sale in the form attached hereto as **Exhibit D** (“**General Assignment**”), duly executed by Seller, if requested by Buyer; Buyer shall have the right to elect not to take an assignment of contracts or acquire any personal property.

**8.1.6 TITLE AFFIDAVIT.** A customary owner’s affidavit from Seller with respect to the Property reasonably acceptable to the Title Company.

**8.1.7 SETTLEMENT STATEMENT.** An estimated settlement statement prepared by Escrow Holder (“**Settlement Statement**”) reflecting the prorations and adjustments required under **Paragraph 10** and any other amounts payable to or by Seller and Buyer with respect to the Property pursuant to this Agreement, duly executed by Seller.

**8.1.8 ADDITIONAL DOCUMENTS.** Any such additional documents as may be reasonably and customarily required by Escrow Holder and Title Company in order to consummate the transaction, provided the same do not expose Seller to any liability or expense not otherwise addressed in this Agreement, other than to a de minimis extent.

**8.2 DELIVERIES BY BUYER.** At least one (1) business day prior to the Closing Date, Buyer shall deposit with Escrow Holder the following:

**8.2.1 FUNDS.** Funds which are to be applied toward payment of the Purchase Price in the amounts and at the times designated above in **Paragraph 2** (as adjusted by the Proration and Expense Schedule).

**8.2.2 CERTIFICATE OF ACCEPTANCE.** A Certificate of Acceptance, executed by Buyer and acknowledged, to be attached to and recorded with the Grant Deed.

**8.2.3 GENERAL ASSIGNMENT.** If applicable, a scanned or electronically signed counterpart, duly executed by Buyer, with respect to the General Assignment.

**8.2.4 PCOR.** A duly executed Preliminary Change in Ownership Report, in a form approved by the Title Company.

**8.2.5 SETTLEMENT STATEMENT.** The Settlement Statement, duly executed by Buyer.

**8.2.6 PROPERTY CONDITION RELEASE.** An original signed copy, in recordable form, of a Property Conditions Release in the form attached hereto as **Exhibit E** (“**Property Conditions Release**”), duly executed by Buyer.

**8.2.7 ADDITIONAL DOCUMENTS.** Any such additional documents as may be reasonably and customarily required by Escrow Holder and Title Company in order to consummate the transaction, provided that the same do not expose Buyer to any liability or expense not otherwise addressed in this Agreement, other than to a de minimis extent.

**9. COSTS AND EXPENSES.** If the transaction contemplated by this Agreement is consummated, then Seller shall bear the following costs and expenses: (A) one-half of Escrow Holder’s fees; (B) the premium for a standard coverage owner’s policy of title insurance in the amount of the Purchase Price; (C) Seller’s share of prorations, and (D) any fees or amounts due to satisfy any Must-Cure Items. If the transaction contemplated by this Agreement is consummated, then Buyer shall bear the following costs and expenses: (W) one-half of Escrow Holder’s fees, (X) all costs of the Title Policy in excess of the portion of the premium described in (C) above, including any cost attributable to ALTA coverage, if any, the cost of any survey and the cost of any endorsements to the Title Policy;; and (Y) Buyer’s share of prorations. Buyer shall bear all costs associated with its due diligence inspections regarding the Property. If, as a result of no fault of Buyer or Seller, Escrow fails to close, Buyer and Seller shall share equally all of Escrow Holder’s and Title Company’s fees and charges (if any); however, if the transaction fails to close as a result of the default of either party, then such defaulting party shall bear all of Escrow Holder’s and Title Company’s fees and expenses Subject to the provisions of **Paragraph 17** below, each party shall bear the cost of its own attorneys and consultants. All other costs and expenses shall be allocated between Buyer and Seller in accordance with the customary practice of Los Angeles County for transactions of this type.

**10. PRORATIONS.** Property taxes shall not be prorated as Buyer is exempt; Seller shall pay all property taxes for the six month property tax billing period in which the Closing occurs (and for all prior periods), and Buyer shall cooperate in good faith with Seller in Seller’s obtaining a refund of overpaid property taxes allocable to Buyer’s period of ownership. All revenues and expenses relating to the Property, including without limitation, payments on bonds and assessments, rents under leases (if any), utility charges, owner’s association dues and fees, charges of any service contracts being assumed by Buyer, and any other items requiring proration shall be prorated by Escrow Holder on an accrual basis as of the Close of Escrow. If there are any security deposits under any leases being assumed by Buyer, Buyer shall receive a credit against the Purchase Price in the amount thereof. Such proration shall be made as of 12:01 A.M. (Pacific Time) on the Closing Date (the “**Proration Time**”), with Buyer being deemed to be the owner of the Property during

the entire day on the Closing Date for purposes of receiving revenue relating to the Property and being obligated to pay expenses relating to the Property. If the parties are unable to obtain final meter readings from all applicable meters as of the Close of Escrow, such expenses shall be reasonably estimated as of the Close of Escrow. All monthly prorations shall be calculated on actual days of the applicable month and all annual prorations shall be calculated based on a 365-day year. Not later than two (2) business days prior to the Close of Escrow, Seller and Buyer shall endeavor to agree upon a schedule of expenses and prorations (“**Proration and Expense Schedule**”) unless they are covered by the preliminary settlement statements prepared by Escrow Holder and approved by Buyer and Seller. If any prorations, apportionments or computations made under this **Paragraph 10** shall require final adjustment because the information is unavailable at the Proration Time, then the parties shall make the appropriate adjustments promptly when accurate information becomes available and either party hereto shall be entitled to an adjustment to correct the same. Such adjustments shall be made as soon as complete and accurate information becomes available, but in all events no later than one hundred eighty (180) days after the Closing. Any corrected adjustment or proration shall be paid promptly in cash to the party entitled thereto. The obligations of the parties under this **Paragraph 10** shall survive the Close of Escrow for six (6) months and shall not merge with the Deed.

**11. DISBURSEMENTS AND OTHER ACTIONS BY ESCROW HOLDER.** Upon the Close of Escrow, Escrow Holder shall promptly undertake all of the following in the manner and order set forth below.

**11.1 DISBURSE FUNDS.** Escrow Holder shall credit all matters addressed in **Paragraphs 2 and 9** and prorate all matters addressed in **Paragraph 10** based upon the Proration and Expense Schedule (or as shown in the approved preliminary settlement statements) and disburse the balance of the Purchase Price to Seller promptly upon the Close of Escrow and remaining funds, if any, to Buyer.

**11.2 RECORDING.** Escrow Holder shall cause the Deed (with the Certificate of Acceptance attached) first, and Condition Release second, and any other documents which the parties hereto may mutually direct, to be recorded in the Recorder’s Office and obtain conformed copies thereof for distribution to Buyer and Seller.

**11.3 DELIVER TENANT NOTICE.** Escrow Holder shall deliver the Tenant Notice to the tenant by certified mail, return receipt requested.

**11.4 DOCUMENTS TO SELLER.** Escrow Holder shall disburse to Seller one conformed copy of the Deed (with Certificate of Acceptance) and Condition Release and a copy of the FIRPTA Certificate, Form 593, Assignment, title affidavit, and Settlement Statement.

**11.5 DOCUMENTS TO BUYER.** Escrow Holder shall deliver to Buyer one conformed copy of the Deed (with Certificate of Acceptance) and Condition Release and a copy of the FIRPTA Certificate, Form 593, Assignment (if applicable), title affidavit, and Settlement Statement.

**11.6 TITLE COMPANY.** Escrow Holder shall direct the Title Company to issue the Title Policy to Buyer.

**12. REPRESENTATIONS AND WARRANTIES.**

**12.1 SELLER’S REPRESENTATIONS AND WARRANTIES.** In consideration of Buyer entering into this Agreement and as an inducement to Buyer to buy the Property, Seller makes the following representations and warranties, each of which is material and is being relied upon by Buyer (and the truth and accuracy of which shall constitute a condition precedent to Buyer’s obligations hereunder). The phrase “to Seller’s knowledge” used herein, shall mean the actual, then current knowledge of John Hanley and Amy Avelar for First Bank the trustees of Seller (“**Seller’s Representative**”) without any undertaking or

duty to undertake any independent investigation or inquiry. In no event shall Seller's Representative have any personal liability under this Agreement.

**12.1.1 POWER AND GOOD STANDING.** Provided Court Approval is obtained, Seller has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated by this Agreement.

**12.1.2 REQUISITE ACTION.** Provided Court Approval is obtained, all requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement, the instruments referenced herein, and the consummation of the transaction contemplated by this Agreement. Provided Court Approval is obtained, no consent of any partner, shareholder, trustee, trustor, beneficiary, creditor, investor, judicial or administrative body, governmental authority or other party is required for Seller to consummate the transaction contemplated by this Agreement. Provided Court Approval is obtained, this Agreement is, and all agreements, instruments and documents to be executed and delivered by Seller pursuant to this Agreement shall be, valid and legally binding upon Seller and enforceable in accordance with their respective terms.

**12.1.3 INDIVIDUAL AUTHORITY.** Provided Court Approval is obtained, the individuals executing this Agreement and the instruments referenced herein on behalf of Seller have the legal power, right, and actual authority to bind Seller to the terms and conditions hereof and thereof.

**12.1.4 NO CONFLICT.** Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor the occurrence of the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Seller is a party or affecting its Property.

**12.1.5 BANKRUPTCY.** Seller has not (a) commenced a voluntary case, or had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, (b) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator, or similar official in any federal, state, or foreign judicial or non-judicial proceeding, to hold, administer and/or liquidate all or substantially all of its assets, or (c) made an assignment for the benefit of creditors.

**12.1.6 LEASES.** Except for the agreements set forth on **Schedule 2**, Seller has not entered into any leases or other occupancy agreements affecting the Property.

**12.1.7 PROHIBITED PERSONS AND TRANSACTIONS.** Neither Seller nor any of its affiliates, members, or officers or directors is, nor prior to Closing or the earlier termination of this Agreement, will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) or under any U.S. statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism) or other governmental action and is not and prior to Closing or the earlier termination of this Agreement will not engage in any dealings or transactions with or be otherwise associated with such persons or entities.

**12.1.8 LITIGATION; EMINENT DOMAIN; VIOLATIONS.** Seller has not received written notice of (i) a violation of any local, state or federal law or regulation with respect to the Property which violation remains uncured as of the date hereof, or (ii), to Seller's knowledge, litigation or condemnation proceeding pending or threatened against Seller arising out of the ownership or operation of the Property.

**12.1.9 NO OPTIONS.** Seller has not granted any third party any unrecorded right of first refusal, right of first offer or option to purchase or any other purchase right to the Property.

**12.1.10 MATERIALS.** To Seller's knowledge, Seller shall deliver to Buyer complete copies of each of the Materials that are in Seller's possession. Other than the foregoing, Seller is not making and has not made any representation or warranty with respect to all or any matters contained in the Materials made available or delivered to Buyer in connection with this Agreement.

**12.1.11 ENVIRONMENTAL CONDITION.** To Seller's Knowledge, Seller has delivered to Buyer, as part of the Environmental Materials, all of the information in Seller's possession and/or control pertaining to: (a) any violation of any Environmental Laws with respect to the Real Property; (b) the deposit of any Hazardous Substances on the Real Property; (c) any use, generation, manufacture, storage, or disposal in, at, on, or under the Real Property of any Hazardous Substances, and (d) any underground or above ground storage tanks.

**12.1.12 SURVIVAL.** The representations and warranties of Seller set forth in this **Paragraph 12.1** shall survive the Close of Escrow for a period of 6 months (the "**Survival Period**"), but not thereafter, it being the intention of the parties that all suits or actions for breach of any such representations and warranties must be commenced, if at all, within such Survival Period or they shall be forever barred. Notwithstanding the foregoing, if, prior to the Closing Date, Buyer or Seller should learn, discover or become aware of any existing or new item, fact or circumstance which renders a representation or warranty of Seller set forth herein incorrect or untrue in any material respect (collectively, the "**Representation Matter**"), then the party who has learned, discovered or become aware of such Representation Matter shall promptly give written notice thereof to the other party and Seller's representations and warranties shall be automatically limited to account for the Representation Matter. If, prior to the Closing Date, Buyer discovers or is notified of a Representation Matter that has a material, adverse impact on the value of the Property, then, subject to **Paragraph 14.2** (if the Representation Matter was actually known by Seller as of the Effective Date), Buyer shall have the right, as its sole remedy, to terminate this Agreement and receive a return of the Deposit (less the Independent Consideration and Buyer's share of Escrow Holder's and Title Company's cancellation fees and charges, if any) by providing written notice thereof to Seller no later than five (5) business days after Buyer learns or is notified of such Representation Matter; provided, however, Buyer shall have no right to terminate this Agreement for any Representation Matter arising from a change in circumstances that is otherwise permitted under this Agreement. Upon such termination, neither party hereunder shall have any further obligations or liabilities under this Agreement except as specifically set forth herein. If Buyer does not timely terminate this Agreement, then Seller's representations and warranties shall be automatically limited to account for the Representation Matter, Buyer shall be deemed to have waived Buyer's right to pursue any remedy for breach of the representation or warranty made untrue on account of such Representation Matter, and the parties shall proceed to the Close of Escrow.

**12.2 BUYER'S REPRESENTATIONS AND WARRANTIES.** In consideration of Seller entering into this Agreement and as an inducement to Seller to sell the Property, Buyer makes the following representations and warranties (which shall survive the Close of Escrow for the Survival Period), each of which is material and is being relied upon by Seller (and the truth and accuracy of which shall constitute a condition precedent to Seller's obligations hereunder).

**12.2.1 POWER AND GOOD STANDING.** Buyer has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transaction contemplated by this Agreement. If Buyer is a business entity, Buyer is duly organized, validly existing and in good standing under the laws of its state of formation. As of the Closing, if Buyer is a business entity, Buyer shall be authorized to transact business in the state in which the Property is located.

**12.2.2 REQUISITE ACTION.** All requisite action (corporate, trust, partnership or otherwise) has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein; and, by the Close of Escrow all such necessary action will have been taken to authorize the consummation of the transaction contemplated by this Agreement. By the Close of Escrow no additional consent of any partner, shareholder, trustee, trustor, beneficiary, creditor, investor, judicial or administrative body, governmental authority or other party shall be required for Buyer to consummate the transaction contemplated by this Agreement. This Agreement is, and all agreements, instruments and documents to be executed and delivered by Buyer pursuant to this Agreement shall be, valid and legally binding upon Buyer and enforceable in accordance with their respective terms.

**12.2.3 INDIVIDUAL AUTHORITY.** The individuals executing this Agreement and the instruments referenced herein on behalf of Buyer have the legal power, right, and actual authority to bind Buyer to the terms and conditions hereof and thereof.

**12.2.4 NO CONFLICT.** Neither the execution and delivery of this Agreement and the documents and instruments referenced herein, nor the occurrence of the obligations set forth herein, nor the consummation of the transaction contemplated herein, nor compliance with the terms of this Agreement and the documents and instruments referenced herein conflict with or result in the material breach of any terms, conditions or provisions of, or constitute a default under, any bond, note, or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, partnership agreement, lease or other agreement or instrument to which Buyer is a party.

**12.2.5 BANKRUPTCY.** Buyer has not (a) commenced a voluntary case, or had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, (b) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator, or similar official in any federal, state, or foreign judicial or non-judicial proceeding, to hold, administer and/or liquidate all or substantially all of its assets, or (c) made an assignment for the benefit of creditors.

**12.2.6 PROHIBITED PERSONS AND TRANSACTIONS.** Neither Buyer nor any of its affiliates, nor any of their respective members, and none of their respective officers or directors is, nor prior to Closing or the earlier termination of this Agreement, will they become, a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of OFAC (including those named on OFAC's Specially Designated Nationals and Blocked Persons List) or under any U.S. statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism) or other governmental action and is not and prior to Closing or the earlier termination of this Agreement will not engage in any dealings or transactions with or be otherwise associated with such persons or entities.

### **12.3 As-Is Purchase and Release.**

**12.3.1 As-Is Purchase.** Except for Seller's express representations set forth in Paragraph 12.1, the Deed, and/or any other document of instrument delivered by Seller at Closing ("**Express Representations**"), Buyer understands and agrees that Seller is not making, and has not at any

time made, any warranties or representations of any kind or character, express or implied, with respect to the Property, and that Seller disclaims all such warranties and representations, including any warranties or representations as to habitability, merchantability, fitness for a particular purpose, the physical condition of the Property, the presence or absence of Hazardous Substances in All Media, and/or any other matter or thing regarding the Property. Buyer acknowledges and agrees that upon Closing, Seller shall sell and convey to Buyer and Buyer shall accept the Property "AS IS, WHERE IS, WITH ALL FAULTS" and thus beyond what is expressly stated herein, Seller shall have no responsibility or obligations whatsoever with respect to any Environmental Response Actions. Buyer shall rely solely on its own investigation with respect to the Property, including the Property's physical and environmental condition, and hereby expressly excludes from its purchase of the Property any representation or warranty except for the Express Representations.

**12.3.2 Buyer's Independent Investigations.** Buyer acknowledges that it has been given the full opportunity to inspect and investigate each and every aspect of the Property as Buyer considers necessary or appropriate, either independently or through agents, representatives or experts of Buyer's choosing. Buyer's decision to proceed to Closing conclusively evidences Buyer's complete satisfaction with such independent investigation in reliance solely upon the same and not upon any information provided by or on behalf of Seller or its agents or employees, other than the Express Representations.

**12.3.3 Disclosure Statutes.** Without limiting this **Paragraph 12.3**, Seller and Buyer acknowledge that the Disclosure Statutes (as defined below) provide that a seller of real property must make certain disclosures regarding certain natural hazards potentially affecting the property, as more particularly provided therein. As used in this Agreement, "**Disclosure Statutes**" means, collectively, California Government Code Sections 8589.3, 8589.4 and 51183.5, California Public Resources Code Sections 2621.9, 2694, and 4136 and any other statutes that require Seller to make disclosures concerning the Property. Buyer acknowledges that the Real Property may be located in an earthquake fault zone and/or special hazard flood area. Escrow Holder shall obtain and provide to Buyer a Natural Hazard Disclosure Report for the Property (the "**Hazard Report**"). Buyer hereby agrees as follows with respect to the Disclosure Statutes and the Hazard Report: (i) the delivery of the Hazard Report to Buyer shall be deemed to satisfy all obligations and requirements of Seller under the Disclosure Statutes; (ii) Seller shall not be liable for any error or inaccuracy in, or omission from, the information in the Hazard Report; and (iii) the Hazard Report is being provided for purposes of complying with the Disclosure Statutes and shall not be deemed to constitute a representation or warranty by Seller as to the presence or absence in, at, or around the Property of the conditions that are the subject of the Disclosure Statutes. Subject to delivery of the Hazard Report, Buyer hereby knowingly, voluntarily and intentionally waives its right to disclosure under the Disclosure Statutes. This waiver is a material inducement to Seller's decision to enter into this Agreement and the calculation of the Purchase Price, and Buyer acknowledges that Seller would not have entered into this Agreement but for this waiver. Seller and Buyer acknowledge that the compensation to be paid to Seller for the Property takes into account that the Property is being sold subject to the provisions of this **Paragraph 12.3**.

**12.3.4 Release.** Except for the Excluded Matters, Buyer, on its own behalf and on behalf of the Buyer Parties, shall FOREVER RELEASE all Seller Parties from all Claims arising out of or resulting from the Property, Seller's ownership or use of the Property, Environmental Conditions, Environmental Loss and/or related to any Environmental Response Action (collectively "**Released Matters**"). In this regard, Buyer agrees to accept the Property subject to a property conditions release in the form substantially similar to the Property Conditions Release exemplar attached as **Exhibit E** hereto which Buyer shall have recorded as a condition of Closing.

With respect to the Released Matters, Buyer further acknowledges it has read and considered the

provisions of California Civil Code Section 1542, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Buyer's Initials \_\_\_\_\_

By initialing above, Buyer hereby expressly waives and relinquishes any right or benefit which Buyer has or may have under California Civil Code Section 1542 as it relates to the Released Matters and in this connection Buyer acknowledges and hereby expressly agrees that this Release given to Seller Parties shall extend to all unknown, unsuspected and unanticipated Claims, as well as those which are now disclosed, with respect to the Released Matters.

Notwithstanding the foregoing, none of the foregoing disclaimers or releases are intended to apply to any of the following (collectively, the "Excluded Matters"): (a) Seller's failure to perform or comply with any of its obligations or covenants under this Agreement or any other document delivered by Seller at Closing; and (b) Seller's Express Representations.

**12.3.5** This **Paragraph 12.3** shall survive the Closing.

#### **12.4 Environmental.**

**12.4.1 Buyer's Environmental Acknowledgements.** Buyer acknowledges that: (i) Hazardous Substances may impact the Property; (ii) certain Environmental Conditions may violate one or more Environmental Laws; (iii) there may be necessary, required, and/or appropriate Environmental Response Actions still remaining to be planned and implemented related to Environmental Conditions; (iv) as between Buyer and Seller, if Buyer proceeds to the Closing without terminating this Agreement during the Contingency Period, the Buyer shall be responsible for future Environmental Response Actions – at Buyer's sole cost and burden ; and (iv) receipt of the Environmental Materials satisfies California Health & Safety Code Section §78700 requiring written notice of Hazardous Substances to a potential purchaser of non-residential real property.

**12.4.2 "All Media"** means soil, soil vapor, vapors, and/or groundwater.

**12.4.3 "Buyer Parties"** means Buyer, and its successors and assigns, and each of their respective owners, members, managers, shareholders, directors, officers, partners, employees, heirs, executors, trustors, trustees, beneficiaries, spouses, agents, representatives and/or affiliates.

**12.4.4 "Claims"** means any and all liabilities, damages, losses, demands, claims (including third party claims), causes of action, liens, suits, costs (including reasonable attorneys' and consultants' fees and costs), expenses, penalties, fines, and/or judgments.

**12.4.5 "Environmental Conditions"** means the entirety of all Hazardous Substances on, under, or migrating to or from the Property in All Media.

**12.4.6 "Environmental Law"** means the Comprehensive Environmental

Response, Compensation and Liability Act ("CERCLA") (42 U.S.C. §9601); Resource Conservation and Recovery Act ("RCRA") (42 U.S.C. §6901); Federal Water Pollution Control Act (33 U.S.C. §§1251 et seq.); Clean Air Act (42 U.S.C. §§7401, et seq.); Hazardous Materials Transportation Act (49 U.S.C. §5101); Toxic Substances Control Act (15 U.S.C. §§ 2601-2629); Safe Drinking Water Act (42 U.S.C. §§300f-300j); Occupational Health and Safety Act ("OSHA") 29 Code of Federal Regulations 1910, 120); California Hazardous Substances Account Act ("HSAA") (California Health & Safety Code §§25310 et seq.); Porter-Cologne Water Quality Control Act (California Water Code §13000, et seq.); the Safe Drinking Water and Toxic Enforcement Act ("Prop 65") (California Health & Safety Code §§25249.5, et seq.); California Hazardous Waste Control Law ("HWCL"), (California Health & Safety Code §§25100 et seq.); and/or the California Fish and Game Code §5650, each as from time to time amended and any regulations implementing any such statute, and all other federal, state, local or foreign laws, statutes, ordinances, regulations, rules or judgments which: (1) regulate or relate to the protection or clean-up of the environment, the use, treatment, storage, transportation, handling, disposal or release of Hazardous Substances, and/or the preservation or protection of waterways, groundwater, drinking water, air, wildlife, plants or other natural resources; and/or (2) impose liability with respect to any of the foregoing

**12.4.7 "Environmental Loss"** means any and all Claims, including any demands, orders, or decrees by any governmental authority under any Environmental Law, arising out of or relating to Environmental Law, Hazardous Substances, and/or for any Environmental Response Actions.

**12.4.8 "Environmental Materials"** means various environmental assessments and data for the Property provided by Seller to Buyer (and which may be included in the Materials), and any materials and data available on the State's public web-sites which Buyer can access itself.

**12.4.9 "Environmental Response Actions"** covers the broadest range of actions employed to address potential and confirmed Environmental Conditions, including the following large subsets of actions (only some of which may be applicable here): 1) site security (e.g., fencing); 2) investigating the lateral and vertical extent in All Media; 3) removals (i.e., short term actions like removing leaking drums); 4) risk assessment (e.g., human health risk assessments); 5) public participation/outreach (e.g., dealing with neighbors or interest groups); 6) laboratory testing (e.g., of collected vapor or groundwater samples); 7) report writing (e.g., for submittals to agencies); 8) remediation (i.e., removal of contaminant mass with a long term focus constituting a permanent remedy, which may include for example soil vapor extraction); 9) mitigation (e.g., increasing air flow inside a building where there is vapor intrusion); 10) governmental authority interaction (e.g., efforts to satisfy orders and directives in pursuit of a no-further-action determination); 11) manifesting and off-site disposal (e.g., of investigation-derived waste); 12) monitoring (e.g., of vapors or groundwater); 13) operation and maintenance of remedial systems; 14) closure activities (e.g., negotiating land use covenants or abandoning monitoring wells); 15) governmental authority oversight costs; 16) financial assurances, if any (e.g., for long term maintenance) and/or 17) any other technical or specialized legal efforts required to directly address actual or threatened Environmental Conditions.

**12.4.10 "Hazardous Substances"** (1) means materials, wastes, or substances that are included within the definition of any one or more of the terms "hazardous substances," "hazardous materials," "toxic substances," "toxic pollutants," and "hazardous waste" in any Environmental Law; (2) any material, waste, or substance regulated or classified as hazardous or toxic; and/or (3) specifically here, all chemicals reported to have been detected in All Media at the Property, the presence of which might be in violation of any Environmental Law – specifically including volatile organic compounds ("VOCs") such as perchloroethylene ("PCE") and trichloroethylene ("TCE"), and/or their degradation or daughter products

**12.4.11** “**Seller Parties**” means Seller its successors and assigns, and third-party beneficiary of the PSA and this Addendum Astro Pak, and each of their respective owners, members, managers, shareholders, directors, officers, partners, employees, heirs, executors, trustors, trustees, beneficiaries, spouses, agents, representatives, and/or affiliates.

**12.4.12** Seller and Buyer agree that the provisions of this Paragraph 12.4 shall survive the Closing.

**13. ACCESS.** Provided that Buyer is not in default of its obligations under this Agreement, and only with Seller’s prior written consent (which shall not be unreasonably withheld or delayed), then from and after the Opening of Escrow through the earlier of the termination of this Agreement or the Closing Date, Buyer, its agents, consultants, contractors and subcontractors, shall have the right, at reasonable times, subject to the rights of all tenants and occupants of the Property, to enter upon the Property to conduct or make any and all non-intrusive and non-invasive inspections and Tests as may be necessary or desirable, subject to the limitations set forth below in this Paragraph 13; however, if during the Contingency Period Seller’s written consent is not promptly given, then Buyer may terminate this Agreement during the Contingency Period by written notice to Seller (and the Deposit shall be returned to Buyer). If Buyer wishes to so enter the Property, it shall seek Seller’s prior written consent at least 48 hours prior to the planned entrance (which request shall be by email to: Jeff Curtis at jeff@jeffcurtisteam.com), and Buyer shall coordinated with Seller so Seller has a reasonable opportunity to have a representative present at all such visits. The scope of any analysis which requires physical sampling or any other invasive or intrusive testing of all or any part of the Property shall be subject to the following: (a) Buyer shall submit to Seller a brief workplan for such testing; (b) such testing shall require the prior written approval of Seller, which will not be unreasonably withheld or delayed; however, if during the Contingency Period Seller’s written consent is not promptly given, then Buyer may terminate this Agreement during the Contingency Period by written notice to Seller (and the Deposit shall be returned to Buyer), (c) Seller’s receipt of written evidence that Buyer has procured the insurance required pursuant to this Paragraph 13, and (d) the requirement that Buyer dispose of all such test samples in accordance with applicable law and at no cost or liability to Seller. Nothing herein shall authorize any subsurface testing or drilling on the Property by Buyer or its environmental consultant unless specifically approved in writing by Seller by the preceding sentence. Buyer shall obtain or cause its consultants to obtain (and provide evidence to Seller), at Buyer’s sole cost and expense, prior to any entrance on the Property, a policy of commercial general liability insurance covering any and all liability of Buyer with respect to or arising out of any investigative activities. Such policy of insurance shall be from an insurance company acceptable to Seller and name Seller as an additional insured and shall be kept and maintained in force during the term of this Agreement and so long thereafter as necessary to cover any claims of damages suffered by persons or property resulting from any acts or omissions of Buyer, Buyer’s employees, agents, contractors, suppliers, consultants or other related parties. Such policy of insurance shall have liability limits of not less than Two Million Dollars (\$2,000,000.00) combined single limit per occurrence for bodily injury, personal injury and property damage liability.

Buyer hereby agrees to provide to Seller, concurrently with the delivery to Buyer, a true and complete copy of all tests, reports, studies and the like generated by any vendor in connection with Buyer’s inspection or evaluation of the Property. Buyer shall keep all documents and information received from Seller and/or its agents and the results of all of its inspections, studies, investigations, analysis, reports and the like confidential except (i) as required by applicable law; (ii) as required by court order or subpoena or (iii) for disclosures made to Buyer’s agents, consultants and employees. Buyer hereby agrees to indemnify, defend and hold the Property, Seller and Seller’s Representatives free and harmless from and against any and all claims, costs, losses, liabilities, damages or expenses arising out of or resulting from Buyer’s investigative activities, or by entry of Buyer, its agents, consultants, contractors and subcontractors on the

Property, or Buyer's breach of its obligations under this **Paragraph 13**. Additionally, Buyer shall immediately, at its sole cost and expense, repair any and all damage arising out of or resulting from such entry and any acts or omissions by Buyer, its agents, employees, consultants, contractors and subcontractors, and shall immediately, at its sole cost and expense, restore the Property to the condition that existed immediately prior to such entry by Buyer, its agents, employees, consultants, contractors and subcontractors. Furthermore, Buyer hereby agrees not to contact governmental agencies with respect to the Property without Seller's prior written consent, which Seller may withhold or condition in its sole discretion.<sup>1</sup> Buyer shall keep the Property free and clear of any mechanics' liens or materialmen's liens related to Buyer's inspection and the other activities contemplated in this **Paragraph 13**. All of Buyer's obligations set forth in this **Paragraph 13** shall survive the Close of Escrow and shall not be merged with the Deed, and shall survive the termination of this Agreement and Escrow prior to the Close of Escrow, and shall not be limited by any provision of this Agreement.

While conducting all activities on the Property, Buyer, its agents, consultants, contractors and subcontractors shall comply with applicable federal, state, and local laws, regulations, and ordinances. Buyer does not have authority to do anything that may result in a lien or encumbrance against the Property. All activities on the Property, including the Tests, shall be at Buyer's sole cost and expense. Buyer agrees to promptly pay such costs and expenses, and shall not permit any lien or encumbrance to be placed upon the Property.

#### **14. DEFAULT.**

**14.1 BUYER'S DEFAULT.** IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS PROVIDED IN THIS AGREEMENT BY REASON OF ANY DEFAULT OF BUYER, AFTER SELLER GIVES BUYER 5 BUSINESS DAYS' NOTICE AND AN OPPORTUNITY TO CURE (WHICH NOTICE AND CURE PROVISION SHALL NOT APPLY IN THE EVENT OF BUYER'S FAILURE TO DELIVER THE DEPOSIT OR THE BALANCE OF THE PURCHASE PRICE PURSUANT TO PARAGRAPHS 2.1 and 2.2, ANY OTHER PAYMENT REQUIRED UNDER THIS AGREEMENT, OR ANY DOCUMENTS PURSUANT TO PARAGRAPH 8.2), SELLER'S SOLE REMEDY (EXCEPT AS PROVIDED BELOW) SHALL BE TO TERMINATE THIS AGREEMENT AND RECEIVE THE DEPOSIT AS LIQUIDATED DAMAGES AND SELLER SHALL BE RELEASED FROM ITS OBLIGATION TO SELL THE PROPERTY TO BUYER. BUYER AND SELLER AGREE THAT IT WOULD BE IMPRACTICAL AND EXTREMELY DIFFICULT TO ESTIMATE THE DAMAGES WHICH SELLER MAY SUFFER IN THE EVENT BUYER DEFAULTS HEREUNDER AND FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED. BUYER AND SELLER THEREFORE AGREE THAT A REASONABLE PRESENT ESTIMATE OF THE NET DETRIMENT THAT SELLER WOULD SUFFER IN THE EVENT OF BUYER'S DEFAULT OR BREACH HEREUNDER IS AN AMOUNT OF MONEY EQUAL TO THE DEPOSIT WHICH SHALL BE THE FULL, AGREED AND LIQUIDATED DAMAGES. THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. THE FOREGOING SHALL NOT LIMIT SELLER'S REMEDIES WITH RESPECT TO BUYER'S OBLIGATIONS (INCLUDING, WITHOUT LIMITATION, ITS INDEMNIFICATION OBLIGATIONS) UNDER PARAGRAPHS 13 AND 16 OF THIS AGREEMENT AND THE ATTORNEYS' FEES PROVISION SET FORTH IN PARAGRAPH 17 BELOW.

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<sup>1</sup> NTD: Same comment, Buyer's termination rights are addressed in other sections of this Agreement.



SELLER'S INITIALS

BUYER'S INITIALS

**14.2 SELLER'S DEFAULT.** IF SELLER DEFAULTS UNDER THIS AGREEMENT AND FAILS TO COMPLETE THE PURCHASE AS PROVIDED HEREIN, AFTER BUYER GIVES SELLER WRITTEN NOTICE AND 5 BUSINESS DAYS' OPPORTUNITY TO CURE, THEN BUYER SHALL BE ENTITLED, AS ITS SOLE AND EXCLUSIVE REMEDY, WHETHER AT LAW OR IN EQUITY, EITHER (A) TO TERMINATE THIS AGREEMENT AND RECOVER ITS DEPOSIT AND IF DESIRED, SEEK DAMAGES IN THE AMOUNT OF BUYER'S ACTUAL OUT-OF-POCKET COSTS INCURRED IN CONNECTION WITH THE TRANSACTION CONTEMPLATED IN THIS AGREEMENT, PROVIDED ANY CLAIM FOR SUCH DAMAGES MUST BE FILED WITHIN 60 DAYS FOLLOWING SELLER'S DEFAULT OR SUCH CLAIM SHALL BE DEEMED WAIVED, OR (B) IN LIEU OF TERMINATING THE AGREEMENT AND RECOVERING ITS DEPOSIT AND SEEKING DAMAGES, BUYER SHALL BE ENTITLED TO PURSUE SPECIFIC PERFORMANCE OF THE CONVEYANCE OF THE PROPERTY WITHOUT RIGHT TO ANY DAMAGES OR OTHER EQUITABLE RELIEF WHATSOEVER, PROVIDED ANY CLAIM FOR SPECIFIC PERFORMANCE MUST BE FILED WITHIN 45 DAYS FROLOWING SELLER'S DEFAULT OR SUCH CLAIM SHALL BE DEEMED WAIVED. IF BUYER DOES NOT FILE AN ACTION FOR SPECIFIC PERFORMANCE WITH IN SUCH 60-DAY PEIROD, IT SHALL BE DEEMED THAT BUYER ELECTED SUBECTION (A) IN THE PRECEEDING SENTENCE. THE FOREGOING SHALL NOT LIMIT BUYER'S REMEDIES WITH RESPECT TO SELLER'S INDEMNIFICATION OBLIGATION UNDER PARAGRAPH 16 OF THIS AGREEMENT AND THE ATTORNEYS' FEES PROVISION SET FORTH IN PARAGRAPH 17 BELOW. IF BUYER FILES SUCH SPECIFIC PERFORMANCE ACTION IN ACCORDANCE WITH THIS PARAGRAPH 14.2, THEN BUYER SHALL BE ENTITLED TO RECORD A LIEN OR LIS PENDENS AGAINST THE PROPERTY AT SUCH TIME; PROVIDED, HOWEVER, BUYER SHALL NOT OTHERWISE BE ENTITLED TO RECORD A LIEN OR LIS PENDENS AGAINST THE PROPERTY AND BUYER HEREBY WAIVES SUCH RIGHT EXCEPT AS EXPRESSLY PERMITTED IN THIS PARAGRAPH 14.2.



SELLER'S INITIALS

BUYER'S INITIALS

**15. NOTICES.** Any notice, demand, consent, approval, request, or other communication or document to be provided hereunder to a party hereto shall be in writing and shall be given to such party at its address set forth above in the Basic Provisions or such other address such party may hereafter specify for that purpose by written notice to the other party, either by reputable overnight messenger service or by certified mail, return receipt requested. Each such notice, request, or communication shall, for all purposes, be deemed delivered and received (a) if given by a recognized overnight delivery service, the following business day; and (b) if given by certified mail, then on the date of delivery or refusal to accept delivery/inability to deliver set forth on the return notice. Notices to Seller shall be directed to Seller and Seller's Counsel and notices to Buyer shall be directed to Buyer. Notice of change of address shall be given by written notice in the manner detailed in this Paragraph 15. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent.

**16. BROKERS.** As set forth in Sections V and VI of the Basic Provisions section above, Seller is represented by Seller's Broker and Buyer is represented by Buyer's Broker. Seller and Buyer acknowledge there are no other brokers involved with the sale of the Property. Upon the Close of Escrow, Seller shall pay a real estate brokerage commission to Seller's Broker and Buyer's Broker, per a separate written



Closing, all condemnation proceeds paid or payable to Seller (other than losses pertaining to periods prior to the Closing and any sums expended by Seller toward the collection of such proceeds) shall belong to Buyer and shall be paid over and assigned to Buyer. Seller shall have no obligation to make any repairs to the Property in the event of a condemnation.

**19.2 DAMAGE AND DESTRUCTION.** If at any time prior to the Closing Date a material portion of the Property is destroyed or damaged as a result of fire or any other casualty whatsoever, then at Buyer's option, to be exercised by delivering written notice to Seller, Title Company and Escrow Holder within five (5) business days after receipt of notice of such destruction or damage, this Agreement shall terminate, the Deposit (less the Independent Consideration and Buyer's share of Escrow Holder's and Title Company's cancellation fees and charges, if any) shall be returned to Buyer, and except as expressly set forth herein, and neither party shall have any further liability or obligation to the other hereunder. If Buyer does not timely notify Seller in writing of its election to terminate this Agreement, Buyer shall be deemed to have elected not to terminate this Agreement. For purposes hereof, the term "material" shall be deemed to be a damage or destruction which (a) adversely affects the value of the Property by more than ten percent (10%) of the Purchase Price or (b) materially and adversely affects legally required access to or parking at the Property, which, in either event, cannot be cured prior to or within a reasonable time after Closing. If less than a material portion of the Property is damaged or destroyed or if a material portion is damaged or destroyed and Buyer elects or is deemed to have elected not to terminate this Agreement, the parties shall proceed to the Closing without reduction in the Purchase Price and, upon the Closing, all property insurance proceeds paid or payable to Seller as a result of such casualty (other than any sums expended by Seller toward the collection of such proceeds) shall belong to Buyer and shall be paid over and assigned to Buyer, and Seller shall pay or credit to Buyer the amount equal to the lesser of (i) the estimated cost of repairing the damage or destruction as reasonably determined by Seller and (ii) the deductible which is not paid through property insurance proceeds. Seller shall have no obligation to make any repairs to the Property in the event of a damage or destruction.

## **20. NEW LEASES AND CONTRACTS**

**20.1 NEW LEASES.** Seller hereby agrees that, after the Contingency Date, Seller will not modify, extend or otherwise change any of the terms, covenants or conditions of the leases (if any) or enter into new leases affecting the Property without the prior written consent of Buyer, which consent shall not be unreasonably withheld. In the event Buyer has not responded to Seller's written request for consent within three (3) business days after Seller's delivery to Buyer of all pertinent information concerning such lease, obligation or agreement, Buyer shall be deemed to have consented thereto.

**20.2 SERVICE CONTRACTS.** Except as otherwise provided herein, after the Contingency Date, Seller will not extend, renew, modify or replace any of the service contracts without the prior written consent of Buyer, which consent shall not be unreasonably withheld. If Buyer does not disapprove any request of Seller regarding a service contract within three (3) business days after Buyer's receipt of such written request, Buyer shall be deemed to have approved such request.

## **21. MISCELLANEOUS.**

**21.1 NOT AN OFFER.** Seller's delivery of unsigned copies of this Agreement is solely for the purpose of review by the party to whom delivered, and neither the delivery nor any prior communications between the parties shall in any way imply that Seller is under any obligation to enter the transaction which is the subject of this Agreement. The signing of this Agreement by Buyer constitutes an offer which shall not be deemed accepted by Seller unless and until Seller has signed this Agreement and delivered a duplicate original or electronic copy to Buyer.

**21.2 COMPUTATION OF TIME PERIODS.** If the date upon which the Contingency Date, the Closing Date or any other date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal or state legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or legal holiday. The term “business day” shall mean any day other than a Saturday, Sunday or legal holiday.

**21.3 CAPTIONS; SEVERABILITY.** Any captions to, or headings of, the paragraphs or subparagraphs of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, but this Agreement shall be reformed and construed and enforced to the maximum extent permitted by applicable law.

**21.4 NO OBLIGATIONS TO THIRD PARTIES.** Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the parties hereto, to any person or entity other than the parties hereto.

**21.5 EXHIBITS AND SCHEDULES.** The exhibits and schedules attached to this Agreement are incorporated in this Agreement by this reference for all purposes.

**21.6 AMENDMENT TO THIS AGREEMENT.** The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

**21.7 WAIVER.** The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

**21.8 APPLICABLE LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, except for any choice-of-law principles which provide for the application of the laws of another jurisdiction. Seller and Buyer hereby irrevocably submit to the jurisdiction of any state or federal court sitting in the State in any action or proceeding arising out of or relating to this Agreement and hereby irrevocably agree that all claims in respect of such action or proceeding shall be heard and determined in a state or federal court sitting in Los Angeles County, California. Buyer and Seller agree that the provisions of this **Paragraph 21.8** shall survive the Closing.

**21.9 FEES AND OTHER EXPENSES.** Except as otherwise provided herein, each of the parties hereto shall pay its own fees and expenses in connection with this Agreement.

**21.10 ENTIRE AGREEMENT.** This Agreement (including all Exhibits and Schedules attached hereto) supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between, and the final expression of, Buyer and Seller with respect to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of either party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

**21.11 SUCCESSORS AND ASSIGNS.** Subject to the restrictions set forth in **Paragraph 18** hereof, this Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto.

**21.12 CONSTRUCTION.** The parties acknowledge and agree that (A) each party hereto is of equal bargaining strength, (B) each such party has actively participated in the drafting, preparation and

negotiation of this Agreement, (C) each such party has consulted with such party's own, independent counsel, and such other professional advisors as such party has deemed appropriate, relating to any and all matters contemplated under this Agreement, (D) each such party and such party's counsel and advisors have reviewed this Agreement, (E) each such party has agreed to enter into this Agreement following such review and the rendering of such advice, (F) any rule of construction to the effect that ambiguities are to be resolved against the drafting parties shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto, and (G) except as expressly stated to survive the Closing in this Agreement, all terms and provisions of this Agreement shall not survive the Closing and shall be deemed merged with the Deed at Closing.

**21.13 LIMITATION OF LIABILITY.** Buyer acknowledges and agrees that neither the trustees, beneficiaries, shareholders, members, affiliates, officers, directors, investment managers, employees, partners, agents nor advisors of Seller, assume any personal liability for obligations entered into by or on behalf of Seller. Notwithstanding any other provision of this Agreement to the contrary (or any rights that Buyer may have at law or in equity), (a) in no event shall Seller have any liability for lost profits, speculative, special, consequential or punitive damages, and (b) in no event will Seller's liability under or otherwise in connection with this Agreement, any documents executed in connection herewith and/or otherwise in connection with the Property exceed the sum equal to 3% of the Purchase Price. Notwithstanding anything to the contrary contained in this Agreement, Buyer hereby agrees that any action or claim asserted by Buyer against Seller or any of the Seller's Representatives must be filed (if at all) and properly served to Seller within the Survival Period in a court of competent jurisdiction, and Buyer hereby waives any right to bring any such claim or action thereafter. Buyer's sole remedies prior to Closing in connection with a Seller default shall be limited as set forth in **Paragraph 14.2**. Any and all liability beyond that which may be asserted under this **Paragraph 21.13** is expressly waived and released by Buyer and by all persons claiming by, through or under Buyer. The provisions of this **Paragraph 21.13** shall survive the Closing.

**21.14 TIME OF THE ESSENCE.** All times provided for in this Agreement for the performance of any act will be strictly construed, time being of the essence.

**21.15 RECORDING.** The parties agree that this Agreement shall not be recorded. If Buyer causes this Agreement or any notice or memorandum thereof to be recorded, this Agreement shall be null and void at the option of Seller.

**21.16 CONFIDENTIALITY.** Until the Close of Escrow, Buyer will keep confidential the Purchase Price, the other terms of this Agreement, the Materials and all other information concerning the Property (as disclosed, discovered or determined in connection with this transaction); provided, however, Buyer may disclose such information to (a) those employed by Buyer; (b) those who are actively and directly participating in the evaluation of the Property and the negotiation and execution of this Agreement or financing of the purchase of the Property; (c) third parties as required under applicable law; and (d) Buyer's potential financial partners and lenders; *provided* with regards to disclosure to parties under (a), (b), and (d), such disclosure shall be subject to Buyer making such parties aware of the confidentiality terms of this Paragraph, and being responsible for any violations of such confidentiality obligations by such parties.

**21.17 INTENTIONALLY DELETED**

**21.18 SECTION 1101.5 DISCLOSURE.** Seller hereby discloses to Buyer that Section 1101.5 of the California Civil Code requires that all noncompliant plumbing fixtures in any commercial real property shall be replaced with water-conserving plumbing fixtures. Pursuant to Section 1101.5(e) of

the California Civil Code, Seller hereby discloses to Buyer that the Property may include noncompliant plumbing fixtures.

**21.19 1031 EXCHANGE.** Either party may consummate the purchase or sale (as applicable) of the Property as part of a so-called like kind exchange (an “**Exchange**”), or multiple Exchanges (whether forward or reverse), pursuant to § 1031 of the Internal Revenue Code of 1986, as amended, and each party will reasonably cooperate with and not delay the other party in completing such Exchange or Exchanges, provided that (a) the non-exchanging party incurs no liability, obligation, cost or expense associated with the exchange (in this respect, the exchanging party shall reimburse the non-exchanging party at Closing through Escrow for any expenses, including attorneys’ fees, which the non-exchanging party may incur in cooperating with the exchange); (b) the exchange does not affect or delay the Close of Escrow; (c) the exchanging party agrees to indemnify and hold the non-exchanging party harmless from and against all liability arising out of its cooperation in effecting the exchange as requested by the exchanging party; (d) the non-exchanging party shall not be required to take title to any exchange property; (e) the exchanging party shall notify the non-exchanging party at least ten (10) days before the Closing Date that the exchanging party wishes to proceed with the exchange; and (f) any documentation required to be signed by the non-exchanging party shall be delivered to the non-exchanging party and its counsel as early as reasonably practicable. The parties hereto acknowledge that the non-exchanging party shall not be deemed the exchanging party’s agent in connection with said exchange.

**21.20 COUNTERPARTS; ELECTRONIC SIGNATURES.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument. Electronic signatures, including signature executed via DocuSign or similar service and delivered in a PDF, jpeg, or other electronic document, shall be deemed binding as originals.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, Buyer and Seller have executed this Agreement of Purchase and Sale and Joint Escrow Instructions as of the Effective Date.

**BUYER:**

**SELLER:**

CITY OF HAWTHORNE

By:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
John Hanley, Co-Trustee of the Hanley Family  
Trust dated June 23, 1999

\_\_\_\_\_  
First Bank, Co-Trustee of the Hanley Family Trust  
dated June 23, 1999

**ACCEPTANCE BY ESCROW HOLDER**

FIRST AMERICAN TITLE COMPANY acknowledges that it has received a fully executed original or original executed counterparts of the foregoing Agreement of Purchase and Sale and Joint Escrow Instructions (the “**Agreement**”) and agrees to act as Escrow Holder under the Agreement and to be bound by and strictly perform the terms thereof as such terms apply to Escrow Holder.

Dated: \_\_\_\_\_, 2024

FIRST AMERICAN TITLE COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Position: \_\_\_\_\_

**Exhibits and Schedules**

<b>Exhibit A</b>	Legal Description of Land
<b>Exhibit B</b>	Form of Grant Deed
<b>Exhibit C</b>	Form of FIRPTA Certificate
<b>Exhibit D</b>	Form of General Assignment and Bill of Sale
<b>Exhibit E</b>	Form of Property Conditions Release
<b>Schedule 1</b>	Excluded Property
<b>Schedule 2</b>	Leases

**EXHIBIT A**

**LEGAL DESCRIPTION**

APN: 4071-020-001

Real property in the city of Hawthorne, county of Los Angeles, state of California, commonly known as 3136 W. Rosecrans Ave, Hawthorne, CA 90250 and identified as Los Angeles County Assessor's Parcel Number 4071-020-001, and more particularly described as follows:

**The Easterly 100.00 feet of Lot 175, Tract No. 993, in the City of Hawthorne, County of Los Angeles, State of California, as per map recorded in Book 20, Page 178, of Maps, in the Office of the County Recorder of said County.**

**EXCEPT therefrom the Northerly 20 feet.**

APN: 4071-020-002

Real property in the city of Hawthorne, county of Los Angeles, state of California, commonly known as 3152 W. Rosecrans Ave, Hawthorne, CA 90250 and identified as Los Angeles County Assessor's Parcel Number 4071-020-002, and more particularly described as follows:

**Lot 175, Tract No. 993, in the City of Hawthorne, County of Los Angeles, State of California, as per map recorded in Book 20, Page 178, of Maps, in the Office of the County Recorder of said County.**

**EXCEPT therefrom the East 100 feet and the west 100 feet thereof.**

**ALSO EXCEPT therefrom the northerly 20 feet thereof, as condemned by the Los Angeles County Flood District, in Case No. 772481, Superior Court of Los Angeles County, a certified copy of the Final Order of Condemnation having been recorded July 5, 1962 as Instruct No. 4546.**

APN: 4071-020-003

Real property in the city of Hawthorne, county of Los Angeles, state of California, commonly known as 3152 W. Rosecrans Ave, Hawthorne, CA 90250 and identified as Los Angeles County Assessor's Parcel Number 4071-020-003, and more particularly described as follows:

**The West 100.00 feet of Lot 175, Tract No. 993, in the City of Hawthorne, County of Los Angeles, State of California, as per map recorded in Book 20, Page 178, of Maps, in the Office of the County Recorder of said County.**

APN: 4071-020-005

Real property in the city of Hawthorne, county of Los Angeles, state of California, commonly known as 14314 Chadron Ave, Hawthorne, CA 90250 and identified as Los Angeles County Assessor's Parcel Number 4071-020-005, and more particularly described as follows:

**Lot 176 of Tract No. 993, in the City of Hawthorne, County of Los Angeles, State of California, as per map recorded in Book 20, Page 178, of Maps, in the Office of the County Recorder of said County.**

EXHIBIT A- Agreement of Purchase and Sale and Joint Escrow Instructions- 3136 West Rosecrans Blvd.

**EXCEPT the West 100 feet of the North 56 feet thereof.**

APN: 4071-020-004

Real property in the city of Hawthorne, county of Los Angeles, state of California, commonly known as 14312 Chadron Ave, Hawthorne, CA 90250 and identified as Los Angeles County Assessor's Parcel Number 4071-020-004, and more particularly described as follows:

**Parcel 1:**

**The North 56 feet of the West 100 feet of Lot 176 of Tract No. 993, as per map recorded in Book 20, Page 178, of Maps, in the Office of the County Recorder of said County.**

**Parcel 2:**

**An easement for community driveway purposes over the South 10 feet of the North 66 feet of the West 100 feet of Lot 176 of Tract 993, as per map recorded in Book 20 Page 178 of Maps, in the Office of the County Recorder of said County**

APN: 4071-013-025

Real property in the city of Hawthorne, county of Los Angeles, state of California, commonly known as 3208 W. Rosecrans Ave, Hawthorne, CA 90250 and identified as Los Angeles County Assessor's Parcel Number 4071-013-025, and more particularly described as follows:

**That portion of the easterly 100.00 feet of Lot 174, Tract No. 993, in the City of Hawthorne, County of Los Angeles, State of California, as per map recorded in Book 20, Page 178, of Maps, in the Office of the County Recorder of said County; lying southerly of the following described line:**

**Beginning at a point in the easterly line of said lot distant thereon southerly 36.50 feet from the northeasterly corner of said lot, said point also being distant thereon southerly 17.00 feet from the southerly line of the northerly 19.50 feet of said Lot 174; thence northwesterly in a direct line 24.05 feet to a point in said southerly line distant thereon westerly 17.00 feet from said easterly line; thence westerly 100.00 feet along said southerly line.**

**EXHIBIT B**

**FORM OF GRANT DEED**

RECORDING REQUESTED BY, AND  
WHEN RECORDED MAIL TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

APN: [ \_\_\_\_\_ ]

(Space above this line is for recorder's use)

GRANT DEED

THE UNDERSIGNED GRANTOR DECLARES:

EXEMPT FROM DOCUMENTARY TRANSFER TAX; TRANSFER TO A CALIFORNIA PUBLIC ENTITY (A CITY/MUNICIPAL CORPORATION). Property is located in the City of Hawthorne.

FOR VALUE RECEIVED, \_\_\_\_\_ (“Grantor”), hereby grants to \_\_\_\_\_ (“Grantee”), that certain real property (the “Property”) situated in the City of \_\_\_\_\_, County of \_\_\_\_\_, State of California, described in Exhibit A attached hereto and incorporated by reference, together with all of Grantor's right, title and interest in all buildings, improvements, fixtures, easements, tenements, hereditaments, and appurtenances of every kind or nature belonging thereto.

THE PROPERTY IS CONVEYED TO GRANTEE SUBJECT TO:

- A. All liens, encumbrances, easements, covenants, conditions and restrictions, of record;
- B. Any other matters of record and other matters of which Grantee has knowledge or notice;
- C. All matters which would be revealed or disclosed in an accurate survey or inspection of the Property;
- D. Liens for any general or special assessments of record against the Property not yet delinquent; and
- E. All laws, ordinances and governmental rules, regulations and restrictions affecting the Property.

IN WITNESS WHEREOF, the undersigned Grantor has executed this Grant Deed as of \_\_\_\_\_, \_\_\_\_\_.

[ \_\_\_\_\_ ]

By: [EXHIBIT ONLY – DO NOT SIGN]  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_, a Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [EXHIBIT ONLY – DO NOT SIGN]

**EXHIBIT "A" TO GRANT DEED**

LEGAL DESCRIPTION OF PROPERTY

EXHIBIT C

**TRANSFEROR'S CERTIFICATION OF NON-FOREIGN STATUS**

To inform \_\_\_\_\_, a \_\_\_\_\_ (“**Transferee**”), that Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. For U.S. tax purposes (including section 1445), the owner of a disregarded entity (which has legal title to a U.S. real property interest under local law) will be the transferor of the property and not the disregarded entity. To inform the Transferee that withholding of tax is not required upon the disposition of a U.S. real property interest, the undersigned hereby certifies the following on behalf of the transferor/seller:

1. Transferor is not a foreign corporation, foreign partnership, foreign trust, foreign estate or foreign person (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder); and
2. Transferor is not a disregarded entity as defined in §1.1445-2(b)(2)(iii); and
3. Transferor’s U.S. employer or tax (social security) identification number is \_\_\_\_\_; and
4. The office address of Transferor is: \_\_\_\_\_.

Transferor understands that this Certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalty of perjury I declare that I have examined this Certification and to the best of my knowledge and belief it is true, correct and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated: \_\_\_\_\_, 2024

TRANSFEROR:

\_\_\_\_\_  
a \_\_\_\_\_

By: **[EXHIBIT ONLY – DO NOT SIGN]**  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT D**

**FORM OF GENERAL ASSIGNMENT AND BILL OF SALE**

THIS GENERAL ASSIGNMENT AND BILL OF SALE (“**Assignment**”) is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (“**Effective Date**”), by and between \_\_\_\_\_, a \_\_\_\_\_ (“**Assignor**”), and \_\_\_\_\_, a \_\_\_\_\_ (“**Assignee**”).

**RECITALS**

A. Assignor (as Seller) and Assignee (as Buyer) previously entered into that certain Agreement of Purchase and Sale and Joint Escrow Instructions, dated as of \_\_\_\_\_, 2024 (the “**Agreement**”), with respect to the sale of the Property. Unless otherwise indicated herein, all capitalized terms in this Assignment shall have the meanings ascribed to them in the Agreement.

B. On the Effective Date, pursuant to the Agreement, Assignor is conveying the Property to Assignee.

C. Subject to the terms of this Assignment, Assignor desires to sell, transfer, assign and convey to Assignee (to the extent assignable), and Assignee desires to assume from Assignor, any and all of Assignor’s right, title and interest in each of the following, but only to the extent appurtenant to the Property and only to the extent assignable to Assignee at no cost to Assignor:

(i) any Intangible Property (as defined in Recital A of the Agreement) associated with the Property;

(ii) any Personal Property (as defined in Recital A of the Agreement) located on or in the Property, except for any Excluded Property set forth on Schedule 1 attached to the Agreement and incorporated herein; and

(iii) any service contract listed on Schedule 2 attached to this Assignment, together with all supplements, amendments and modifications thereto.

Such interests of Assignor with respect to the Property, as set forth in subsections (i), (ii), and (iii) in this Recital C is hereinafter known as the “**Assigned Properties**”.

**Agreement**

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows.

1. Assignment. Assignor assigns, sells, transfers, sets over and delivers unto Assignee (to the extent assignable and at no cost to Assignor), without representation or warranty of any kind, all of Assignor’s right, title and interest, if any, in and to the Assigned Properties; provided, however, that such assignment, sale and transfer shall not include any rights or claims arising prior to the Effective Date which Assignor may have against any party with respect to the Assigned Properties.

2. Assumption. Assignee accepts said assignment, sale and transfer and assumes the performance of all of the terms, covenants and conditions imposed upon Assignor with respect to the Assigned Properties to be performed on and after the Effective Date.

3. Personal Property. Assignee hereby acknowledges and agrees that (i) Assignor has made absolutely no warranties or representations of any kind or nature (whether express, implied or statutory) regarding title to or condition of the Personal Property and that such Personal Property is being conveyed and sold on an “as-is” and “where is” condition, with all faults, and (ii) Assignee shall be responsible, at its sole cost and expense, for any and all sales, excise, intangible or other taxes payable in connection with the conveyance of the Personal Property.

4. Purchase Agreement. The covenants, agreements and limitations (including, but not limited to, the limitations provided in Paragraphs 12.1.12, 12.3, 12.4, and 21.13 of the Agreement) provided in the Agreement with respect to the Assigned Properties conveyed hereunder are incorporated herein by this reference as if herein set out in full.

5. Attorneys’ Fees. In the event of the bringing of any action or suit by a party hereto against another party hereunder by reason of any breach of any of the covenants, conditions, agreements or provisions on the part of the other party arising out of this Assignment, then in that event the prevailing party shall be entitled to have and recover of and from the other party all costs and expenses of the action or suit, including reasonable attorneys’ fees and costs.

6. Counterparts. This Assignment may be executed simultaneously in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument. Electronic signatures, including signature delivered in a PDF, jpeg, or other electronic document, shall be deemed binding as originals.

7. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of the successors, assignees, personal representatives, heirs and legatees of Assignor and Assignee.

8. Governing Law. This Assignment shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the Effective Date.

**ASSIGNEE:**

**ASSIGNOR:**

\_\_\_\_\_  
a \_\_\_\_\_

\_\_\_\_\_  
a \_\_\_\_\_

By: [EXHIBIT ONLY – DO NOT SIGN]  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: [EXHIBIT ONLY – DO NOT SIGN]  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: [EXHIBIT ONLY – DO NOT SIGN]  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: [EXHIBIT ONLY – DO NOT SIGN]  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**SCHEDULE "2" TO GENERAL ASSIGNMENT AND BILL OF SALE**  
**Service Contracts**

NONE

**EXHIBIT E**  
**FORM OF PROPERTY CONDITIONS RELEASE**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Space above this line for Recorder's use only)

APNs: \_\_\_\_\_.

**Agreement for Property Conditions Release ("Release")**

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, related to that unrecorded *Agreement of Purchase and Sale and Joint Escrow Instructions* dated \_\_\_\_\_, \_\_, 2024 ("Agreement") between \_\_\_\_\_, its successors and assigns, and each of their respective owners, members, managers, shareholders, directors, officers, partners, employees, heirs, executors, trustors, trustees, beneficiaries, spouses, agents, representatives and/or affiliates (collectively "Seller" or "Releasee") and \_\_\_\_\_ its successors and assigns, and each of their respective owners, members, managers, shareholders, directors, officers, partners, employees, heirs, executors, trustors, trustees, beneficiaries, spouses, agents, representatives and/or affiliates (collectively "Buyer" or "Releasor") and any closing documents executed in connection therewith (collectively the "Agreement"), Releasor hereby waives, releases, remises, acquits and forever discharges Seller relating to all physical conditions or suitability of that certain property located at \_\_\_\_\_, California, as more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property), including any claims relating to roofing, walls, drainage, utilities, paving, driveways, and other improvements, ingress and egress, subsurface soils, and/or related to any hazardous substances on, under, or migrating from the Property and any Releasee non-compliance with any federal or state environmental law (collectively, "Claims"), which Releasor now has or which Releasor may have in the future (collectively, "Released Matters"), EXCEPT as reflected in a final judgment against Seller by a court of competent jurisdiction for breach of an express representation and/or warranty set forth in Section 12 of the Agreement.

With respect to the Released Matters, Releasor further acknowledges it has read and considered the provisions of California Civil Code Section 1542, which reads as follows:

**"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

Releasor hereby expressly waives and relinquishes any right or benefit which Releasor has or may have under California Civil Code Section 1542 as it relates to the Released Matters, and in this connection Releasor acknowledges and hereby expressly agrees that this Release shall extend to all unknown, unsuspected and unanticipated Claims, as well as those which are now disclosed, with respect to the Released Matters.

Releasor hereby agrees, represents and warrants that it has had advice of counsel of its own choosing in negotiations for and the preparation of this Release, that it has read this Release or has had the same read to it by its counsel, that it has had the within Release fully explained by such counsel, and that it is fully aware of its contents and legal effect.

This Release shall run with the land and/or the Property; shall inure to the benefit of and pass with each and every portion of the Property; and shall apply to and bind every respective successor in interest to the Property.

\_\_\_\_\_, 2024  
[month] [day]

RELEASOR  
[name]

\_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_ )

On \_\_\_\_\_, 20\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_

(Seal)

**SCHEDULE 1**

**EXCLUDED PROPERTY**

[WHAT IS TO BE INCLUDED, AND WHAT EXCLUDED?]

**SCHEDULE 2**

**LEASES**

1. That certain billboard lease dated August 1, 1977, by and between Viacom Outdoor, Inc. (successor in interest to the original lessee) and Leon Hanley, as amended from time to time.

**IN WITNESS WHEREOF**, Buyer and Seller have executed this Agreement of Purchase and Sale and Joint Escrow Instructions as of the Effective Date.

**BUYER:**

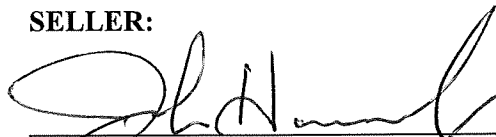
CITY OF HAWTHORNE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SELLER:**



\_\_\_\_\_  
John Hanley, Co-Trustee of the Hanley Family  
Trust dated June 23, 1999

\_\_\_\_\_  
First Bank, Co-Trustee of the Hanley Family Trust  
dated June 23, 1999

